

VOLUME I

CHAPTER 14

POSTAL OFFENSES AND LOSSES

1400. PURPOSE. This chapter establishes the procedures for handling and reporting postal offenses and losses at military post offices (MPOs). Requirements are provided for designating investigating officers. Procedural information for preparing and processing reports of investigation connected with such cases is also included. Information concerning postal offenses and losses occurring at the unit mail room (UMR) and postal service center (PSC) are included in DoD 4525.6-M, Vol II, Chapter 7.

1401. GENERAL. The Department of Defense is responsible for ensuring USPS is reimbursed for the loss of funds, postage stock, and accountable mail because of embezzlement, negligence, or theft while in the custody of the MPO. Investigation by the Military Services may be required to determine individual liability. For the purpose of this chapter, the term "investigating officers" is defined as a commissioned officer, warrant officer, or senior enlisted person (E-7 thru E-9) appointed to investigate postal offenses or losses.

1. The proper use of postal effects and supplies and the protection and timely transmission of mail are essential elements of an effective and efficient postal system. The administration of the MPO must focus on maintaining these elements in accordance with the USPS/DoD Postal Agreement and with service standards established by the Department of Defense.

2. Postal offenses are occurrences which violate laws, agreements, or USPS and DoD regulations, and that jeopardize the security of mail, postal effects, and other USPS/DoD property. They include:

a. Theft, destruction, manipulation, misappropriation, or embezzlement of postal funds, blank money orders, money order imprinters, mail keys, stamps, and stamped paper, including meter postage or postmarking devices.

b. Altering, counterfeiting, forging, or fraudulently passing money orders and other postal paper.

c. Mailing of illegal drugs, pornographic, or other prohibited matter. MPOS shall refer to Part 123 and 124, DMM (reference (i)), and paragraph 905.15.

d. Theft, rifling, delay, destruction, or interception of mail while under jurisdiction or custody of the MPO at all levels.

e. Alteration, destruction, or other unauthorized disposition of postal records.

f. Use of the mails to defraud.

g. Robbery, burglary, or forceful entry of military postal activities or USPS facilities located on military installations operated by military personnel.

h. Abuse or unauthorized use of MPO privileges.

i. Misuses of DoD official indicia, stamps, and postage meters.

3. Postal losses, such as shortages in stamp stock accounts when immediate restitution is made, missing money orders (MO) vouchers, etc. , discovered during the course of normal events or routine audits are not required to be reported as a postal offense unless criminal intent is suspected.

1402. POSTAL OFFENSE REPORTING

1. Command responsibilities and required actions involving postal offenses described above are outlined in figures 14-1 and 14-2.

2. The initial report to the MPSA shall be made by electrical message within 72 hours of the discovery. The appropriate military investigative agency will also be notified immediately upon discovery of the postal offense. Addressing, format, and content shall conform with instructions in figure 14-3. Submit followup reports as required until the case is closed.

3. The MPSA when deemed appropriate shall assign a case number for reference purposes , and take whatever action is determined to be necessary. If a case number is not assigned within 30 days from the reporting date, you may consider that MPSA does not require additional information. However, investigation should continue at the local level.

4. All subsequent correspondence on reported offenses must reference the case number assigned by the MPSA, and any other case numbers established by military investigative agencies.

5. Reports required under this chapter are in addition to any investigation being conducted by other agencies, such as, Criminal Investigation Division (CID), Naval Investigation Service (NIS), and Office of Special Investigation (OSI).

1403. STAMP STOCK AND POSTAGE METER SHORTAGES

1. Losses or Shortages in Stamp Stock Credits

a. Good judgment is essential to the proper control and administration of USPS funds. Repeated shortages or overages in a single account, even if within tolerance limits, may be justification for removing postal clerks from duties involving the handling of postal effects. A postal clerk's willingness to make restitution shall not influence decisions to relieve personnel of such duties.

b. No action against the individual is necessary, except as noted in paragraph 1403.1.a , when audits reveal a shortage in excess of tolerance limits due to carelessness or simple neglect and immediate restitution of the full amount is made.

c. If the accountable individual is unable to make immediate restitution, but initiates pay adjustment action, such commitment shall be accepted as full restitution and a postal offense report is not submitted.

d. If the responsible individual must make restitution through monthly installments, follow procedures outlined in paragraph 1403.2 for obtaining replacement stock. The auditor and the individual concerned shall initiate DD Form 139, "Pay Adjustment Authorization," through the servicing military finance office. Pay adjustment action is separate and independent of any disciplinary action that might be warranted. The finance office shall be requested to make checks payable to the serving postmaster. However, request that the checks be mailed to the postal finance officer (PFO) or -custodian of postal effects (COPE), as appropriate, so proper credit for restitution can be maintained. If the amount of the loss exceeds the maximum allowed under pay adjustment action for a single month, the debt shall be paid in ☐ monthly installments.

(1) If you have fixed credit, submit each check as it is received with a letter to the serving PFO or postmaster identifying the shortage to be credited.

(2) If you have a flexible credit, submit the checks to the serving postmaster as they are received and take credit for the amount on PS Form 1412B, "Daily Financial Report."

e. If the shortage results from possible criminal intent or the individual refuses to make restitution, the auditor shall immediately report the circumstances and appropriate action shall be taken in accordance with figures 14-1 and 14-2. The responsible individual shall be removed from postal duties and credit withdrawn. If the individual refuses to make restitution but criminal intent is not apparent, the responsible commander may allow the individual to retain the credit pending the result of the investigation.

2. Replacement of Stock. Whenever a shortage occurs and immediate restitution is not made, the PFO or COPE shall submit a letter of explanation if the responsible individual has initiated pay adjustment action, or a copy of the postal offense message, if restitution is refused, to the serving Postmaster or PFO as appropriate. The postmaster shall carry the shortage in suspense until the issue is resolved by restitution or payment of the claim by the respective Military Service. Refer to table 14-1 for replacement procedures.

3. Withdrawing Credit Because of Shortage. To withdraw a credit, the PFO or COPE shall prepare a PS Form 1096 in two copies to reflect the exact amount of stock and funds that can be accounted for. The original shall be provided to the individual and the duplicate copy filed with the person's PS Form 3369, "Consigned Credit Receipt" and the audit form reflecting the shortage. In the case of possible criminal intent, the individual shall not be returned to postal duties until the investigation results show complete explanation.

4. Acceptance of Counterfeit Currency. If a shortage occurs due to the acceptance of counterfeit currency, report it the day it is discovered. Postal clerks shall report the incident to the COPE and the MPO supervisor. COPEs discovering counterfeit currency in their account, or upon notification of counterfeit currency submitted to check-issuing facility, shall report to the MPO supervisor. The MPO supervisor shall report the incident directly to the appropriate military investigative agency.

a. Obtain a receipt in duplicate from the investigative agency for the counterfeit currency.

b. The PFO or COPE shall submit a letter of explanation to the serving postmaster or PFO requesting stock as outlined in paragraph 1403.2. The letter must include a statement of justification. The statement must conclude that the person who accepted the bill used as much care as a reasonable, prudent person would have used in the same situation. An example of a statement to be used in claims of this type is: "I was unaware that counterfeit bills of this denomination and series were in circulation in this area and the bill was of good quality and deceptive in character to me." Include a copy of the postal offense report message and a copy of the receipt with the letter.

c. Attach a copy of the investigative agency receipt and a copy of the letter to the accepting clerk's or COPE's PS Form 3369. The shortage shall be carried forward on each audit form until credit is received from the accountable postmaster.

5. Postage Meter Shortages. Normally shortages will not occur when postage meter funds are remitted as they are maintained with flexible or fixed credit funds. However, certain shortages may occur because of abnormal situations.

a. If the shortage is caused by acceptance of counterfeit currency which is identified as meter funds, paragraph 1403.4., applies, except that replacement stock shall not be required. In addition, disregard instructions in paragraph 1403.4.c.

b. When the USPS detects errors in meter fund remittances, procedures outlined in paragraph 1405., apply.

c. Shortages, (except those addressed above), where immediate restitution is not made, shall be reported as postal offenses (see paragraph 1402.). A copy of the postal offense report message shall be submitted with the PS Form 3602-PO, "Postage Collected Through Post Office Meter," and remittance for the funds that are available.

1404. MONEY ORDER SHORTAGES.

1. Shortage of Money Order Funds.

a. Audit of daily money order accounts may disclose shortages in MO funds that could be due to simple error, carelessness, or negligence, without intent on the part of the responsible individual to defraud, embezzle, or otherwise misappropriate USPS funds. If the responsible individual makes restitution at the time the shortage is discovered, no other action is required. If a shortage is discovered by Money Order Division (MOD), St. Louis, Missouri (see paragraph 1405), after the money order business (MOB) report has been submitted and voluntary restitution is made, show the amount as an overage on the next report with a reference to the MOB report that was short. If the MO clerk accepts responsibility for the loss but is unable to make immediate

full restitution, paragraph 1403.1.c. , applies. If restitution is made in monthly installments, each time a check is received it shall be submitted as an overage. Include a statement on the PS Form 6019, "Military Post Office (MPO) Report of Money Order Business," referring to the MOB report which carried the original shortage.

b. "If voluntary restitution is not made or criminal intent is suspected, paragraph 1402., applies. The responsible commander shall also immediately designate an investigating officer who shall verify and document the shortage within 2 workdays of discovery. The MOB report, with funds, vouchers, paid MOs, tapes, and spoiled MOS, if any, can then be submitted to the MOD, St. Louis, Missouri. The report shall provide an explanation of the shortage, and explain that an investigation is being conducted.

c. When the USPS detects errors in meter fund remittances, procedures outlined in paragraph 1405., shall apply.

d. Counterfeit currency shall be handled as follows:

(1) If a shortage occurs due to the acceptance of counterfeit currency, report it on the business day it is discovered, and include in the remarks section the statement shown in paragraph 1403.4.b.

(2) If the counterfeit currency is discovered involving consolidated reports and the accepting clerk cannot be identified, the PFO or COPE shall provide an explanation in the remarks section of the consolidated report. The explanation shall include a statement, such as: "Regarding the counterfeit bills for units 1, 2, and the parent MPO: I am unable to determine which clerk accepted the bills, but they were of good quality and deceptive in character."

(3) The COPE or clerk, as appropriate, shall obtain a receipt in duplicate from the investigative agency. Attach one copy of the receipt to the report submitted to MOD and the other submitting activity's file copy .

2. Loss, Destruction, or Theft of Money Order Forms.

a. If blank MO forms are lost, destroyed, or stolen, the incident shall be reported as a possible postal offense in accordance with paragraph 1402. The message report shall follow the addressing and format as illustrated in figure 14-3.

b. MOS recovered after having been reported lost or stolen shall not be issued, but shall be held until instructions for disposition are received from the source of supply or MPSA.

1405. FINANCIAL ADJUSTMENT MEMORANDUM. When USPS detects errors in meter or money order remittance, MPSA shall receive a PS Form 1908, "Financial Adjustment Memorandum (FAM)," prepared by the accountable postmaster or MOD, relating to the overage or shortage. Those FAMs pertaining to minor day-to-day discrepancies, such as inverted numbers, incorrect remittances, and like occurrences shall be forwarded directly by the postmaster to the MPO for resolution. FAMs

pertaining to major discrepancies where there is a possibility of an investigation being conducted, or where it appears there may be a delay in restitution, shall be forwarded to MPSA. MPSA shall forward the FAM through command channels for necessary action. If an individual is responsible for a shortage, voluntary restitution shall be requested. If voluntary restitution is refused, the reason for the refusal shall be documented and submitted to MPSA for review. MPSA shall then resolve the shortage with USPS or notify the originator to designate an investigating officer as outlined in paragraph 1408.

1406. CATASTROPHES

1. If a postal facility is damaged as a result of fire, typhoon, earthquake, flood, explosion, or enemy action, the incident shall be reported through command channels by the most expeditious means available. The contents of the report shall be in accordance with paragraph 1407., and the notification of the incident shall follow reporting procedures outlined in figure 14-3.

2. Immediately following the catastrophe, the COPE shall audit accounts and inventory all assigned postal effects. The inventory shall be conducted jointly with the MPO supervisor or postal officer, and shall be verified by both parties upon completion. If a loss is discovered, an investigating officer shall be appointed to determine liability, if any.

3. As soon as practical, the responsible commander shall reestablish postal service in the area. If the stamp stock remaining on hand is insufficient to operate, the COPE or postal officer shall follow procedures in paragraph 1403.2. MO forms and postal supplies shall be requisitioned on an emergency basis in quantities sufficient to restore service.

1407. CATASTROPHE REPORTING

1. The initial report shall contain the following information:
 - a. Date and nature of occurrence.
 - b. Brief description of the cause.
 - c. Approximate loss, damage, or destruction to postal supplies.
 - d. Action taken, if any, to obtain emergency operating supplies.
 - e. Whether the postal activity is operational and, if not, approximate date operations will resume.
 - f. Any additional information of significance.

2. A followup report shall be forwarded indicating the complete audit and inventory results required by paragraph 1406.2.

1408. DESIGNATION OF INVESTIGATING OFFICERS

1. Postal offenses and losses involving military postal clerks or unit mailroom clerks may require investigation to determine pecuniary liability.

Investigating officers designated to conduct investigations should have postal training or experience.

2. In cases involving losses in excess of \$100, the investigating officer shall be a commissioned officer senior in grade to anyone who could possibly be found pecuniarily liable.

3. An investigating officer shall be appointed under the following conditions:

a. If negligence, fraud, dishonesty, or willful misconduct is suspected.

b. If the responsible individual refuses to make voluntary restitution for shortages found during routine audits.

c. If a loss is discovered following a catastrophe.

1409. INVESTIGATING OFFICER FINDINGS AND PREPARATION OF REPORTS

1. Findings shall specifically include but shall not be limited to the following:

a. Whether a loss or incident actually occurred.

b. The amount and type of funds or mail lost, damaged, or destroyed.

c. Facts and circumstances that contributed to the loss, damage, or destruction.

d. If registered mail, state contents and value (obtain from the sender).

e. Who was responsible for the funds or mail at time of the loss, damage, or destruction.

f. Who was accountable for the funds or mail at time of the loss, damage, or destruction.

g. Whether any or all of the missing funds or mail, money order forms, or other items have been recovered.

2. A COPE or MPO supervisor should not be held personally or pecuniarily liable for acts of subordinates that result in shortages or other losses of postal funds, accountable papers, or other property whether from honest error, theft, embezzlements, or manipulations, provided that they have faithfully and conscientiously enforced all DoD and Military Service regulations, applicable USPS directives, major overseas command directives, and procedures for the management of their postal activities.

3. Recommendations of the investigating officer shall be consistent with findings. When pecuniary liability is found, recommendations must include the names of individuals to be held pecuniarily liable and the specific amounts.

4. Investigating officer reports shall be prepared in accordance with each Military Service's requirements.

1410. TRANSMISSION OF DOCUMENTS

1. Within 90 days from the date of initial notification of a possible offense, completed proceedings, fully documented, shall be submitted by responsible commanders through command channels to MPSA. Reports shall be processed expeditiously within command channels to ensure arrival at the MPSA within 90 days of initial notification.

2. When extenuating circumstances prevent the completion and forwarding of reports within the allowable time frame, a 30-day extension may be granted by the appointing authority with prompt notification to the MPSA.

3. Reports shall be forwarded to the MPSA with all supporting documentation, such as disciplinary actions, termination of postal designations, collection action against those found pecuniarily liable, corrective action to prevent recurrence, etc.

4. Copies of approved officer investigation reports shall not be held pending availability of other documents, but shall be transmitted immediately upon completion. Supporting documentation shall be forwarded as it becomes available.

IF THE SHORTAGE IS IN AN ACCOUNT HELD BY	AND THE ACCOUNT IS A	SERVED BY A	TAKE THIS ACTION
COPE	Fixed Credit	PFO or Post- master	Submit a PS Form 17 and letter of explanation, or a copy of the postal offense message, requesting replacement stock.
MPC/FPC		COPE	Submit a PS Form 17 to the COPE requesting replacement stock. (NOTE: Disregard if the credit is withdrawn from the clerk as the COPE shall carry the shortage pending replacement from the PFO or Postmaster.)
COPE/PFO	Flexible Credit	Postmaster	Identify the shortage on PS Form 14123 as outlined in subsection D.12., Chapter 5, Volume 1. Include a letter of explanation or copy of the postal offense message with the PS Form 1412B. If replacement stock is needed, submit a requisiti- on in the normal manner.
COPE		PFO	

NOTE: shortages occurring in MPC/FPC accounts shall be carried by the COPE pending replacement from the Postmaster. If the COPE has a flexible credit, the shortage is automatically carried by the Postmaster upon receipt of the PS Form 14123. No further action is required.

Table 14-1. Obtaining Replacement Stock for Shortages.

R U L E		A	B	C
	If	Then the individual discovering the incident shall notify:	The mailroom or MPO supervisor, as appropriate, shall notify:	Unit or responsible commander shall notify:
	1 The incident occurs at the mailroom level overseas	The mailroom supervisor	Unit or responsible commander	The MPO supervisor, the major commander, the military investigating agency, and MPSA.
	2 The incident occurs at the MPO level	The MPO supervisor	The responsible postal commander, the military, investigating agency, the major commander, and MPSA	
	3 The incident occurs at a CONUS-operated mailroom	Same as rule 1A	Same as rule 1B	Serving postmaster, USPS Inspection Service, the military investigative agency, the installation postal officer, and MPSA.
4	The incident occurs at a CONUS-operated post office, including MPOS afloat in CONUS	Same as rule 2A	The serving postmaster, the USPS Inspection Service, the military investigative agency, installation postal officer, and MPSA.	

Figure 14-1. Reporting Postal Offenses and Losses.

If You Are The		Then (If Appropriate)
Unit/Organization Commander	1	Relieve the individual from MPO or mailroom duties.
	2	Request the personnel office flag records to prevent actions, such as reassignment, promotion, etc., and ensure personnel records are properly annotated to preclude future MPO or mailroom assignments.
	3	Initiate judicial or nonjudicial action.
	4	Report corrective actions taken through the responsible postal commander to MPSA.
	5	Recess any military claims.
MPO Supervisor	1	Take actions 1 through 4, above.
	2	Review MPO records for claims actions involving accountable mail.
	3	Advise addresser or addressee as appropriate of mail loss.
Major Commander	1	Determine need for officer investigation and forward requirement to the Special Court-Martial Authority or Appointing Authority with a 30-day suspense for completion of the report as required by this Manual.
	2	Obtain and review OS1, CID, or NIS investigative reports of investigation.
	3	Review officer investigation report for completeness.
Special Court-Martial Authority	1	Direct the investigating officer to complete the report within 30 days.
	2	Obtain and review OS1, CID, or NIS investigative reports.
	3	Review officer investigation reports for completeness and legal sufficiency for cases involving pecuniary liability, and forward a copy of the report to MPSA through the major commander.
	4	Initiate collection action from the responsible individual.

Figure 14-2. Required Actions Involving Postal Offenses.

UNCLASSIFIED

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FROM : (ACTIVITY REPORTING THE INCIDENT)

TO: CDR MIL PSTAL SVC AGCY//ALEX VA//MPSA-OP//

INFO : (MAJOR COMMANDER OR DIRECTOR OF POSTAL OPERATIONS (CONUS))

UNCLAS

SUBJ : SUBJECT WILL REFLECT TYPE OF POSTAL OFFENSE, INCIDENT, OR CATASTROPHE.

IF FUNDS ARE INVOLVED, REFLECT TYPE OF FUNDS AND AMOUNT.

1. IN COMPLIANCE WITH DoD 4525. 6-M, VOLUME r, CHAPTER 1 4, PARAGRAPH 1402, THE FOLLOWING INFO IS FURNISHED:

A. DATE INCIDENT OCCURRED , KNOW FACTS AND CIRCUMSTANCES AND ORGANIZATION INVOLVED , TO INCLUDE OPERATIONAL MPO NUMBER AND FINANCIAL UNIT , IF APPLICABLE.

B. PERSONNEL INVOLVED ; INDICATE WHETHER POSTAL CLERK OR APPOINTED MAIL CLERK , AND IF RESPONSIBLE FOR LOSS.

C. INDICATE WHETHER RESTITUTION HAS BEEN MADE, OR WILL BE MADE AND WHEN.

D. REFLECT INFORMATION RELATING TO RECOVERY AND DISPOSITION OF MAIL, AND INCLUSIVE DATES OF SUCH MAIL. IF ACCOUNTABLE MAIL IS INVOLVED , INDICATE AMOUNT , TYPE, ACCOUNTABLE NUMBERS, CONTENT, AND VALUE, IF KNOWN . IF BEING HELD AS EVIDENCE, SO STATE, AND GIVE AMOUNT AND ESTIMATED DATE OF RELEASE. IF UNIT MAIL SERVICE IS INVOLVED, REPORT WHETHER PREVIOUS INCIDENTS HAVE OCCURRED AND , IF SO, GIVE DATE(S) .

E. INDICATE DATE REFERRED TO INVESTIGATIVE AGENCY, INCLUDING AGENT'S NAME, DESIGNATION , AND LOCATION OF THE AGENCY, AND CASE NUMBER ASSIGNED, AS APPROPRIATE . INCLUDE DATE AND LOCATION OF USPS OFFICIAL TO WHOM NOTIFICATION WAS MADE IF INCIDENT OCCURRED IN THE UNITED STATES.

F. STATE CORRECTIVE ACTION TAKEN TO PREVENT RECURRENCE, AS APPROPRIATE.

2. INDICATE DATE AND HEADQUARTERS WHICH DESIGNATED THE INDIVIDUAL AS MPC , FPC , COPE , OR FPO . (IF PARAGRAPH DOES NOT APPLY, OMIT FROM MESSAGE.)

Figure 1 4-3. Sample Electronic Message With Instructions For Preparing Notification of Postal Offenses, Incidents, or Catastrophes.